

The Research Review is a publication of the Research Division of the Tennessee House of Representatives

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**THE FINANCE COMMITTEE'S BUDGET HEARINGS CONTINUE:
TENN CARE • HOMELAND SECURITY • CONSTITUTIONAL OFFICERS**
(summaries begin on page 13)

*House Committee Actions
February 25-27, 2002*



Chairman Kernell and the Government Operations Committee considered a total of twenty bills this week, including ten sunset bills which were sent to Calendar and Rules. Among the bills considered was the Tennessee Lottery for Support of Education Act which creates the Tennessee Lottery Corporation. (Government Operations is on page 7.)

Agriculture

Ryan Swindell

There were no bills to be heard in the full **Agriculture Committee** this week. The committee met to hear a presentation from the Tennessee Nursery and Landscape Association. Speaking to the committee was Mr. David Hill, president of the association. Mr. Hill stated that in 2000, nursery production in Tennessee was measured at \$124 million. In the same year Tennessee ranked sixth in total gross

sales of the country's top seventeen nursery producing states. He also stated that sales from Tennessee's 200 floriculture operations had gross sales totaling \$55.4 million in 2000, which is up 18 percent from 1999. The nursery industry is the fastest growing industry in agriculture in Tennessee. Tennessee is home of the only dedicated research station for nursery and landscaping. The TSU Nursery Crop Research Station is located in McMinnville.

The Marketing and Commodities Subcommittee met with two bills on the calendar. **HB 2882** by Rep. McMillan was referred to full committee. This bill

would increase fees for licenses for a dog or cat dealer. It would also authorize the stopping of vehicles to check for licensure compliance and the confiscation of endangered animals. This bill would use a portion of the animal friendly specialty license plate to defray costs associated with the licensure. Under current law, proceeds from the specialty license plate are distributed as grants to low-cost spay and neuter programs by the Commissioner of Health. This bill would allow the Commissioner of Agriculture to make grants instead.

HB2121 by Rep. Bone was rolled for one week. This bill would require all retailers and wholesalers that sell catfish in Tennessee to label the nation of origin of such fish.

Agriculture Resource and Industry Subcommittee met this week with one bill to consider. **HB2477** by Rep. Patton, which defines beedies or bidis as tobacco products, was referred to full committee. This bill would prohibit the sale of beedies to minors.

Children & Family Affairs

Shannon Romain



Secretary Maddox, Vice Chair DeBerry, Chairlady Chumney.

The **Children and Family Affairs full committee** and the **Domestic Relations Subcommittee** met on Tuesday. The **Family Justice Subcommittee** was canceled and all bills were rolled one week.

In the **Domestic Relations Subcommittee**, **HB 2523** by Rep. McMillan was referred to the full committee. Among other things, as amended, the bill:

1. Terminates payments of in futuro alimony upon the death of the paying spouse;
2. Permits the courts to order wage assignments for alimony payments;
3. Removes the provision requiring a party in a divorce proceeding to attend mandatory mediation when other party receives a default judgement for failing to appear

in court, and;

4. Classifies IRA growth as separate property, unless a party can prove that they made a substantial contribution to the growth of the fund.

NOTE: All child support and custody bills will be reviewed at the next scheduled Domestic Relations Subcommittee meeting.

The **full committee** reviewed and referred two bills to Calendar and Rules. **HB 2127** by Rep. McMillan clarifies that mandatory restraining orders issued upon the filing of a petition for divorce only apply to the parties to the divorce proceeding and do not apply to third parties named in the petition. She made it clear that neither the current legislation nor current law prevents a party from seeking a separate injunction against a third party named in a divorce proceeding if necessary.

HB 2497 by Rep. Hagood also went to Calendar and Rules. The bill permits Knox County to adopt a curfew law that is similar to the local ordinance adopted by Knoxville. The bill is intended to facilitate curfew enforcement by creating uniform guidelines for both the city and the county. It is similar to legislation passed three years ago addressing the same issue in Shelby County and Memphis.

The committee continued its discussion on child support. Upon advice from Chairlady Chumney, the committee created a separate Ad Hoc committee to examine the issues raised and the recommendations presented in the previous child support hearing, and to make recommendations to the full committee at a later date. Representatives Black, Patton, and Maddox volunteered to serve on the Ad Hoc committee which will be co-chaired by Vice-Chairman Deberry and Rep. Bowers.

Commerce

Chris McGrew

The **House Commerce Committee** met Tuesday with eight bills on the calendar. **HB 2895** (McDaniel) and **HB 2890** (Sargent) were passed out to Finance, Ways and Means.

HB 2895 would authorize the Department of Commerce and Insurance to survey persons disenrolled by the

TennCare program to determine such persons' ability to obtain other health insurance.

HB 2890 would establish regulations for investment advisor representatives under the Tennessee Securities Act. The committee passed HB 2702 (Fitzhugh), HB 2532 (Walker), HB 2357 (Maddox) and HB 2895 (Hagood) on to Calendar & Rules.



Rep. Sargent explains HB 2890.

The **Utilities & Banking Subcommittee** passed two bills on to full committee. HB 2953 (Rinks) would stagger the six year terms for directors of the Tennessee Regulatory Authority on two year cycles. HB 3013 (Kisber) would impose a sales tax on charges for mobile telecommunications services subject to federal sourcing rules, if customer's place of primary use is located in Tennessee.

The **Industrial Impact and Small Business Subcommittees** were cancelled.

Conservation & Environment

Greg E. Adkins

The full **Environment & Conservation Committee** met on Wednesday, February 27, 2002 and considered two bills. **HB 2642** by Rep. Bittle authorizes TWRA to purchase the upland hardwood forest known as the "International Paper Company Properties" in Scott, Morgan, Anderson, and Campbell Counties. The expenditure would be made from the 1986 Wetland Acquisition Fund. The estimated approximate cost of the land is \$5 million. **HB 2643** by Rep. Bittle allows TWRA to create a deer management program. The program would allow adjoining landowners or persons who control hunting access to TWRA lands to achieve deer management goals set out by the authority. The bill allows TWRA to issue rules, regulations, and fees for the program.

The **Environment Subcommittee** met on Tuesday, February 26, 2002 and considered two bills. **HB 2902** by

Rep. McCord was rolled one week. **HB 2904** by Rep. McCord passed to full committee. The bill changes the basis for which dry cleaners are charged fees. Currently, dry-cleaning facilities are charged an annual state registration fee based on the number of full time employees. The bill would change the registration fee to be based on the amount of chemicals they use.

The **Parks and Tourism Subcommittee** met on Tuesday, February 26, 2002. The committee passed **HB 2398** by Rep. Rinks to full committee. The bill authorizes commissioned officers from TDEC to retain their service weapon after twenty-five years of honorable service.

Consumer & Employee Affairs

Shannon Romain

Both of the Consumer and Employee Affairs subcommittees met this week. The **Consumer Affairs Subcommittee** reviewed and referred two bills sponsored by Chairman Kisber to the full committee. **HB 2277** creates a "Do Not Fax" component to the Tennessee Do Not Call Register. The bill regulates the transmission of unsolicited fax advertisements and authorizes the Tennessee Regulatory Authority to penalize violations. **HB 2858** requires telephone companies, cooperatives and service suppliers to disclose the total costs of telephone equipment and services and the date that the services will be paid in full upon the signing of a customer's lease or purchase agreement.

The following bills were rolled at the request of the sponsors:

HB 2401 by Rep. Rinks - prevents expiration in less than 12 months of gift certificates with a value of more than \$100. Rolled one week.

HB 2234 by Rep. Odom - prohibits price gouging resulting from terrorist act, war, strike, or natural disaster. Rolled two weeks.

HB 0236 by Rep. Patton - requires credit-reporting agencies to provide free annual reports to consumers and to notify consumers of dissemination of credit information. Rolled one week.

HB 2285 by Chairman Kisber - extends telephone solicitations by facsimile to the "Do Not Call" Register. Rolled 2 weeks pending action in the Senate.

HB 2861 by Chairman Kisher - revises provisions governing unsolicited electronic mail and facsimiles. Rolled two weeks.

In the **Employees Affairs Subcommittee, HB 2908** by Rep. Pleasant was referred to the full committee. A housekeeping bill, **HB 2908** clarifies that OSHA Form 300 reports are not affected by state law regarding work injury reports.

In the **full committee**, both bills on the calendar were rolled two weeks. **HB 2235** by Rep. Odom requires wireless communications providers to post each customer's contract expiration date on their monthly billing statement. **HB 2247** by Rep. Sharp changes the language in the state's maternity leave law from four months to 17 weeks. By changing the term "months" to "work weeks" the legislation conforms with federal language. According to the sponsor, the bill is not intended to reduce or significantly alter the amount of maternity leave allowable under state law.

Education

Jessica Peccolo

Ad Hoc Committee on Charter Schools February 20, 2002

On Wednesday, February 20, the joint Ad Hoc Committee on Charter Schools met. This meeting was the first time that the committee heard testimony on the issue of charter schools. The first speaker was Deputy Commissioner of Education, Jeff Roberts. Commissioner Roberts gave a brief overview of the ESEA and the role that charter schools play in the new federal legislation. He also handed out a chart detailing the school accountability measure in the ESEA. Charter schools become one of the options given to educators and parents after a low performing school has not responded to other corrective measures.

Deidrick Briggs, executive director of the Charter School Resource Center of Tennessee, was the final speaker in Wednesday's meeting. Mr. Briggs discussed the current charter school legislation filed in Tennessee. The main points of the legislation that he highlighted include the following

- * Six charter schools may be started in each grand division for each of three years (A total of 54 schools can be opened during the three year pilot program).

- * Preference will be given to applications for charter that intend to service at-risk students.

- * The LEA board is the chartering authority, though denied charters do have an avenue of appeal through the State Department of Education.

- * Charters will be granted for five years and only to nonprofit agencies.

- * Public schools may convert to charter schools, but no private or home school may do so.

- * Charter schools must fulfill enrollment priorities for those students who attended the school before it was chartered or those students living within the service area.

- * 100% of teachers in the charter school must be fully licensed and certified.

- * Teachers must be allowed to participate in state insurance and retirement programs.

- * Chartering authorities have the power to revoke a charter if the school is not living up to the accountability measures designated in the charter and expected of regular public schools.

Both presenters stayed to answer questions from committee members. The committee met again on Wednesday, February 27th. A follow up report will be available in the next issue of *The Research Review*.

Education Committee February 26, 2002

Each of the seven pieces of legislation on calendar for the Education Committee were passed during this week's meeting. **HB 2654** (Turner, B) moves the date on which the TBI reports to the General Assembly about campus crimes throughout the state from January 1 to April 30. Deputy Speaker Turner explained that she was carrying this bill at the request of the TBI so that they had the time to put together a more thorough report. The bill was passed to Calendar and Rules. Representative Montgomery's **HB 2899** extends the maximum length allowable for a contract between the textbook commission and a textbook publishing company by one month. The current length of a contract is anywhere from three (3) to six (6) years. This bill would change the time restrictions so that the contracts could be drafted for 36 to 73 months. It passed to Calendar and Rules.

HB 2404 (Davis, R) defines the procedures for teachers to remain on the preferred list to be rehired by a LEA. This bill passed the Senate with an amendment, which Representative Davis introduced in full committee on Tuesday. The amendment, which rewrites the bill, says that a teacher stays on the preferred list for two years

unless he or she declines a comparable position within the LEA. When the two years pass, the director of schools must send a written notice to the last known address of the teacher. The teacher then has until April 15 of each subsequent year to notify the director of schools in writing of his or her desire to remain on the list. The committee adopted the amendment and the bill was passed to Calendar and Rules.

HB 2382 (Winningham) increases the state paid share of insurance premiums for educators based on their number of years of service in a Tennessee public school. The state paid share starts at 45% for those teachers with 0-5 years of service. It tops out at 80% for those teachers with 33 or more years of service. The bill's sponsor informed committee members that the fiscal note was not yet ready, but that preliminary indications were that there would be a significant increase to state expenditures. The bill passed to Finance, Ways, and Means. Chairman Winningham also had **HB 2708** to bring before the committee. It requires the State Board of Education develop and maintain a teacher recruitment and retention program. The fiscal note for this bill was for an increase in state expenditures of over \$100,000, so the bill was passed to Finance, Ways, and Means.

Both **HJR 0647** (Winningham) and **HJR 0648** (Winningham) were passed to Calendar and Rules. **HJR 0647** declares May 7 as National Teachers' Day in Tennessee. **HJR 0648** recognizes Dr. Seuss's birthday by naming March 1 "Read Across America" day. Representatives from TEA passed out Dr. Seuss books to committee members and encouraged them to take time on Friday to read to a child.

HB 2934 - Change in Definition/Special Education Law **Discussion: Removing "Intellectually Gifted" from the Definition of a "Child With Disabilities."**

The remainder of Tuesday's meeting was spent on a hearing for **HB 2934** (Maddox) regarding gifted education in this state. The first to speak was Dr. Lynette Henderson from Austin Peay University. Dr. Henderson urged committee members not to vote for this bill because of the effects it could have on the 18,000 plus gifted children in Tennessee. She went on to say that her two main concerns with the bill were that it threatened the safe haven gifted education had within the special education classification. Dr. Henderson told members that gifted education was historically one of the first programs to be cut in time of budget shortages. By being classified under special education, the rights and programs of gifted children are better protected. The second concern she shared was that

the bill could lead to gifted education losing funds. Local funds are the biggest provider for gifted education and without the mandate that this bill removes, it would be much easier for LEA's to cut gifted programs.

Second to speak on this issue was Dr. Steve Ramsey, the special education advisor for Weakley County Schools. Dr. Ramsey was quick to point out that this legislation was drafted so that it would not go into effect until August of 2003, giving the Department of Education plenty of time to develop a gifted education program. He noted that federal grants for gifted children were not classified under special education. Dr. Ramsey closed his remarks by saying that he believed that gifted education would improve if removed from the label of special education. Commissioner Taylor ended the hearing with a suggestion that the General Assembly charge the Department of Education and the State Board of Education with developing a program for gifted education by fall of 2003. At that point, a law could be passed regarding gifted education and a program would already be in place. The bill was put on calendar for the K-12 Committee.

K-12 Subcommittee

HB 1706 (Davis, R) was first introduced during last session. Dealing with qualifications for school vocational directors, the bill was sent to Education Oversight where a hearing was held. This year, Vice-Chairman Davis returned with the bill and an amendment that completely rewrites the bill. It now addresses the new policy passed by the State Board of Education that requires certain vocational students to take algebra no later than their junior year. The sponsor's problem with the new policy is that many vocational programs allow students to wait to take algebra until their senior year. Because schools have already begun the registration process for next year, it would be difficult for them to rearrange student schedules and provide the extra algebra classes. Amendment 1 to HB 1706 deletes the original language of the bill and adds a one-year waiting period before any school has to institute new policies regarding vocational curriculum. Deputy Commissioner Jeff Roberts of the Department of Education spoke about the new policy. Commissioner Roberts explained that by making sure vocational students have algebra by their junior year, it gives the students more than one chance to pass the Gateway exams. The new policy will not effect current high school sophomores, juniors, or seniors, only the freshman who will be required to pass the Gateway exams in order to graduate. Students on the academic track are required to have two math courses of a higher level than algebra, so they take the course no later than their sophomore year. The

amendment was discussed, but not adopted. HB 1706 was passed to full committee for further discussion.

HB 2565 (Winningham) requires schools who have their operating policies in electronic format and who maintain a website to post the policies on the website. This bill only applies to those schools with both policies in electronic format and a website. It was passed to full committee. **HB 2274** and **HB 2487** both sponsored by Representative Cooper, were assigned to the General Sub Committee that will be appointed by Chairman Winningham. **HB 2406** and **HB 2514** were rolled to a later meeting.

Deputy Speaker Brenda Turner presented **HB 2650**, which would allow school systems to make arrangements with local law enforcement agencies to enforce compulsory attendance. Shelby County and Knox County both currently operate programs of this nature and the bill would make it permissible for any school system in Tennessee to do the same. Rep. Turner had several witnesses to testify about the need for this program, including a school board member from Hamilton County. Currently Hamilton County has a system wide average daily attendance of approximately 92%. Knox County Attorney General Randy Nichols was on hand to testify as well. General Nichols explained that the four-year-old program had two parts, the Truancy Center where children who are picked up during school hours are taken, and a parental responsibility program. In the four years since its start, Knox County's average daily attendance grew from 93% to 95.5% and drop out rates went from 14.9% to 9.6%. Chairlady Brown expressed her concern with the bill, and created an ad hoc committee to further look into the matter.

Because of lengthy discussion on several bills, the committee ran out of time to complete this week's calendar. The remaining bills will be heard next week.

Higher Education Subcommittee

****THE COMMITTEE HAD NO BILLS ON NOTICE AND DID NOT MEET.****

Finance, Ways & Means

Cathy Higgins

Finance, Ways and Means Committee
Tuesday, February 26, 2002

The Full Committee had four bills on calendar this week and all were referred to Calendar and Rules:

HB 2191 (Cole, Ralph) designates a bridge in Carter County in honor of Blanche Ward Berry at local cost.

HB 1108 (West) as amended in Judiciary requires bounty hunters to attend at least 8 hours of training annually. The Tennessee Association of Professional Bail Bonds will conduct training.

HB 3016 (Kisber) amends statutory language to reflect technical compliance with the IRS language regarding investment pool.

HB 2865 (Kisber) amends the code to replace certain statutory terms regarding wastewater facilities with required accounting terms in order to conform to GASB.

Budget Subcommittee **Wednesday, February 27, 2002**

Budget Sub had 7 bills on calendar this week.

The following bills were rolled to a future calendar:

HB 2187 (McDaniel) appropriates money for homeland security and reopening of state parks.

HB 896 (Buck) as amended from the Council on Pension and Insurance, provides incentives for retired judges or those close to retirement to participate in the senior's judge program. Funding will come from existing resources and limits any additional state appropriation in futures years, to the rate of inflation.

HB 2500 (Rhinehart) as amended from the Council on Pension and Insurance, is a housekeeping bill.

HB 2159 (Buck) as amended in Judiciary, clarifies that litigation taxes collected by the clerk of the appellate courts would be collected upon the docketing of the appeal in the appellate court. It provides that there shall be no interest imposed on delinquent or deficit taxes to be collected by the clerk of the appellate courts.

Placed behind the budget:

HB 2521 (Turner, Mike) revises allocation of the money received from the tobacco settlement for FY 02-03. All money received will be distributed evenly between the Agriculture and Health reserve accounts. Changes composition of the agricultural and health fund committees - from 5 members from each house (voting)

and Commissioners of Finance and Administration, Health, Agriculture and Education (non-voting) to the Treasurer, Comptroller, Secretary of State, one member from each house, and four members appointed by the Governor.

HB 1342 (Head) changes the minimum contribution from \$40 to \$50 per month for retirees with 30 or more years of services for supplemental medical insurance premiums, subject to an appropriation.

Passed to full Committee:

HB 2108 (Whitson) names the National Guard Armory in Erwin (Unicoi County) in honor of the "Erwin Nine." As amended, an entity other than State government will pay for cost of signs.

HB 2906 (McDaniel) from Health, reinstates in statute the school food services annual permit fee of \$80.

For a summary of the Finance Committee's Budget Hearings on TennCare, Homeland Security and the Constitutional Officers, turn to the special section on page 13.

Government Operations

Ryan Swindell

The **Government Operations Committee** met this week with twenty bills on the calendar. A total of fifteen bills were reported out of committee either to Calendar & Rules or other standing committees. The remainder of the bills were rolled to a later date. Four bills dealing with prescription drugs by Rep. Mike Turner (**House Bills 2076, 2078, 2089, and 2090**) were rolled for two weeks. **HB 2502** by Chairman Kernell, previously considered on last week's calendar, was rolled for one week. This bill would require the Commissioner of Agriculture to assess a fee on private forest land to fund state forests firefighting.

HB 2273 by Rep. Cooper, which was also considered last week, was recommended for passage and referred to the Health and Human Resources Committee. This bill would enact the "Surgical Technologist Licensure Act." It would

create a seven-member committee under the Board of Medical Examiners and would grandfather existing surgical technologists to be licensed.

HB 3026 by Rep. Miller, was reviewed and referred to State and Local with a report. The report states that the corporation is not subject to sunset re-authorization and the rulemaking is beyond legislative UAPA rulemaking review. This bill enacts the "Tennessee Lottery For Support of Education Act of 2002." This bill would create the Tennessee Lottery Corporation, which would be deemed as a public instrumentality of the state. Some examples of a public instrumentality are counties, utility districts, school districts,



Rep. Miller explains HB 3026. and public service districts. The corporation would be governed by a board of directors that could adopt rules dealing with matters such as the types of games to be conducted, the sale price of tickets, the number and amount of prizes, and the manner in which the holder of a winning ticket receives payment. Proceeds from lotteries, after expenses and payments to winners, would be placed in an earmarked fund in the State Treasury. Proceeds from lotteries would be provided as scholarships and grants for higher education. This bill would also allow the chairperson of the board of directors to appoint a lottery retailer advisory board consisting of ten lottery retailers. The advisory board's function would be to advise the board of directors on retail aspects of the lottery and present concerns of lottery retailers. The committee adopted an amendment to place a sunrise provision only on the advisory board.

House Bills 2066 and 2068 by Rep. Odom, both dealing with TennCare, were reviewed and referred to the Commerce Committee. **HB 2066** would require employers to indicate on quarterly wage reports whether or not each employee is offered health insurance. The information would be used in determining eligibility for enrollment in TennCare. **HB 2068** would expand the scope of persons considered uninsurable and eligible for TennCare to include one of thirty-five medical conditions defined as high-cost. It would further allow the Bureau of TennCare to expand the list of high-cost medical conditions if the need arises.

HB 2769 by Chairman Kernell extends the Tennessee Soybean Promotion Board for six years. It also deletes language pertaining to a one-half cent rate levied on a bushel of soybeans grown in the state. It was *reviewed and referred* to the Agriculture Committee.

Listed below are Sunset bills that were recommended to
Calendar & Rules:

HB 2714 by Kernell – Extends the Southern Growth Policies Board for six years.

HB 2715 by Kernell – Extends the South Central Tennessee Railroad Authority for six years.

HB 2717 by Kernell – Extends the Rail Service Authorities for six years.

HB 2725 by Kernell – Extends the Interstate Rail Passenger Advisory Council to June 30, 2002.

HB 2743 by Kernell – Extends the Tennessee Dairy Promotion Committee for six years.

HB 2757 by Kernell – Extends the Southern Dairy Compact for one year.

HB 2765 by Kernell – Extends the West Tennessee River Basin Authority for six years.

HB 2766 by Kernell – Extends the Tri-County Railroad Authority for six years.

HB 2767 by Kernell – Extends the Tombigbee Waterway Development Authority for six years.

HB 2771 by Kernell – Extends the Tellico Reservoir Development Agency for six years.



Health & Human Resources

Judy Narramore

The **Health & Human Resources Committee** met Tuesday at noon with 12 bills on the calendar.

Additionally, George Gannaway, Executive Director of a federally qualified health center (FQHC) in Hardin County, testified on the role and funding of federally funded community health centers, particularly those FQHCs located in non-metropolitan areas.

Two bills that were rolled from 2001 were taken off notice: **HB 1123** by Rep. Curtiss and **HB 1294** by Rep. Arriola. **HB 1736** by Rep. West concerning TDEC inspection and regulation of x-ray machines was discussed at length, including testimony from the Department, and ultimately rolled two weeks at the request of Chairman Armstrong. This bill passed the Senate in 2001 with two amendments and is on the House desk. Both Senate amendments were adopted as House committee amendments today. **HB 2365** by Rep. L. DeBerry, which would require ambulatory surgical treatment centers to report discharge claims data to TDH, was considered briefly and then rolled one week at the request of Rep. S. Jones, for purposes of reviewing the civil penalty language in the bill.

HB 2668 by Rep. U. Jones was referred to FW&M. This bill would increase the additional fine earmarked for the Traumatic Brain Injury (TBI) Fund for driving with an invalid license or for DUI from \$10 to \$15. The bill also adds an additional \$15 fee earmarked for the TBI Fund for adult driving while impaired violations.

The remaining seven bills on the calendar were referred to C&R. **HB 2212** by Rep. D. Davis would revise current law related to licensure and disciplinary requirements for respiratory care practice. **HB 2259** by Rep. L. DeBerry as amended would require health care facilities to report to TDH those unusual occurrences and specific incidents that cause death or serious injury not related to the patient's illness. The amendments emphasize confidentiality of the corrective action reports, make provisions of the bill applicable to nursing home reports, and clarify that the bill does not alter DHS and DCS reporting. **HB 2903** by Rep. Montgomery would make several revisions to the Safe Drinking Water Act. **HB 3044** by Rep. Odom as amended would add licensed senior psychological examiners and certified psychological assistants to the list of persons allowed to perform the work of an employee assistance professional. **HB 3088** by Rep. Caldwell as amended would delete SIDS investigation training from the continuing education requirements of law enforcement officers. The training would continue to be included as part of the officer's initial training. The amendment changes the effective date to December 31, 2003 and requires TDH to notify law enforcement agencies when there are changes in policies or procedures related to SIDS investigations. **HB 3120** by Rep. Armstrong would enact the Interstate Nurse Licensure Compact, which would

allow for speedier reciprocity of nurse licensure privileges among states participating in the Compact. **HB 3121** by Rep. Armstrong would expand existing law that regulates tanning facilities by adding regulations regarding the posting of warning notices, use of tanning facilities by minors, and record keeping requirements.

The **Human Resources & Mental Health Subcommittee** was cancelled Tuesday afternoon when the only bill on notice, **HB 2911** by Rep. Overbey, was rolled.

The **Health Access Subcommittee** met Wednesday morning with four bills on notice. All bills were either rolled (**HB 2064** by Rep. Maddox, **HB 3015** by Rep. Kisber, and **HB 2533** by Rep. Black) or taken off notice (**HB 2240** by Rep. Godsey). Chairman Arriola recognized several child care advocacy groups that were in the audience.

Three bills were on the calendar for consideration by the **Health Subcommittee** on Wednesday morning. In the absence of Rep. Pruitt, Chairman Armstrong chaired the meeting. **HB 2271** by Rep. Bowers would enact the "Tennessee Emergency Health Powers Act." Rep. Bowers brought an amendment that rewrites the bill to make significant changes to the printed bill. The amendment was discussed and then rolled one week for committee review. No action was taken on the bill or the amendment. **HB 2339** by Rep. Bowers would permit licensed hair braiders to work without supervision of a licensed cosmetologist if they were providing services in their own business. Rep. Bowers brought an amendment that rewrites the bill except for the effective date to allow hair braiders to work without supervision in a facility licensed by the board. No action was taken on the amendment and the bill was rolled one week for further consideration of the proposed amendment. The remaining bill on the calendar, **HB 2479** by Rep. Patton, was rolled one week at the sponsor's request.

Judiciary

Paige Edwards

On Tuesday, the **Civil Procedure & Practice Subcommittee** met to consider 14 bills. **HB 1636** by Representative Sargent and **HB 2184** by Representative Kernell were rolled for two weeks. **HB 1898** by Representative Maddox, **HB 2154** by Representative Buck, **HB 2332** by Representative Buck, **HB 102** by Representative Odom and Representative Buck, **HB 2321** by Representative Bone, **HB 3111** by Representative

Fowlkes, **HJR 693** by Representative Sands, and **HB 3027** by Representative Kisber were rolled for one week.

The following four bills were sent to the full committee:

- **HB 1895** by Representative Maddox amends the consumer protection act to extend the statute of repose from four to five years. The Senate passed this bill with an amendment on May 9, 2001.
- **HB 2572** by Representative Buck amends the law relating to persons who shall not take depositions. Under this bill, an attorney can take depositions provided the attorney is acting in his or her official capacity.
- **HB 2687** by Representative Garrett exempts any person who merely holds a security interest in a solid waste or baled waste facility or site from liability for cleanup or remediation of such site.
- **HB 2524** by Representative McMillan, as amended, makes several changes to the uniform partnership act. One substantive change involves the continuation of the partnership after a partner withdraws from the partnership.

On Tuesday, the **DUI Subcommittee** met to consider two bills. **HB 2669** by Representative Jones (Shelby) was rolled for one week. **HB 2116** by Representative Newton was sent to the full committee. **HB 2116** would permit a judge to grant a restricted driver license to an individual whose previous conviction for a DUI or DWI occurred more than 10 years prior to the present violation. This bill would continue to prohibit individuals from obtaining restricted driver licenses who have a prior conviction for vehicular assault, aggravated vehicular homicide, or vehicular homicide while under the influence.

On Wednesday, the **Judicial Administration Subcommittee** met to consider nine bills. **HB 1883** by Representative Towns was rolled for two weeks. **HB 2531** by Representative Walker was rolled for one week. **HB 2815** by Representative Casada and **HB 2655** by Representative Turner (Hamilton) were taken off notice.

The following five bills were sent to the full committee:

- **HB 2520** by Representative Turner (Davidson), as amended, requires a notary public, who is not an attorney, to provide notice in any advertisement that states that such notary public is not an attorney. The notice would be printed in English and in any other language that is used in the advertisement. Also, this bill prohibits a notary public, who is not an attorney, from representing or advertising that he or she is an immigration consultant, immigration paralegal, or

expert on immigration matters without proper accreditation. Noncompliance with the provisions of this bill would constitute an unfair or deceptive act under the consumer protection act.

- HB 2918 by Representative Brooks, as amended, gives the trial judge sole discretion in making a determination to sequester jurors in any criminal prosecution, except for those cases that involve the rendering of a death sentence.
- HB 2579 by Representative Fowlkes clarifies that participants in Teen Court may not receive compensation for their service. Also, this bill states that Teen Court participants may receive tokens of appreciation or awards in recognition of public service. This bill enables Teen Court participants to be reimbursed for travel expenses according to the regulations for reimbursing state employees.
- HB 2402 by Representative Fowlkes increases the compensation given to jurors from \$10.00 to at least \$20.00.
- HB 2618 by Representative Briley, as amended, authorizes the environmental court judge in Davidson County to appoint a referee. Also, this bill describes the qualifications and responsibilities required of the referee. This bill would be funded by local public funds.

On Wednesday, the **Criminal Procedure & Practice Subcommittee** met to consider 46 bills. Twenty-nine bills were rolled. Eleven bills were taken off notice. HB 2558 by Representative Boyer failed for lack of a second motion.

The following five bills were sent to the full committee:

- HB 2536 by Representative Kent authorizes the director of TBI to commission uniformed security officers to protect and secure TBI employees, facilities, and grounds. The security officers would be authorized to carry firearms and make arrests.
- HB 2619 by Representative Briley provides that circuit court judges, criminal court judges, and general sessions court judges would be authorized to order misdemeanor offenders, who are sentenced to a county jail or workhouse, to be placed on work release.
- HB 3020 by Representative Buck adds that state or county magistrates may carry a handgun upon successful completion of firearms training. This bill adds state or county magistrates to the list of individuals who may carry or possess a weapon by virtue of their position. This bill removes state and county judges from the list of individuals who may carry or possess a weapon by virtue of their position.

- HB 2653 by Representative Turner (Hamilton) requires offenders who have been convicted of solicitation of a minor to register under the Sexual Offender Registration and Monitoring Act.
- HB 2964 by Representative Dunn increases the penalty for operating unauthorized money transmitter businesses from a Class E felony to a Class D felony with an additional mandatory fine not to exceed \$10,000.

On Wednesday, the full **Judiciary Committee** met to consider 17 bills. HB 1876 by Representative Towns was rolled for two weeks. HB 2392 by Representative Bunch, HB 560 by Representative Boyer, HB 3146 by Representative Fowlkes, HB 2128 by Representative McMillan, and HB 361 by Representative Buck were rolled for one week.

The following ten bills were sent to **Calendar & Rules**:

- HB 2390 by Representative Bunch, as amended, makes several changes regarding notice for secured transactions under the UCC. Also, this bill clarifies that foreclosure of a security interest after default would not be classified as a debt collection.
- HB 2820 by Representative Fitzhugh makes technical corrections to TCA § 47-9-617, which is a provision of the UCC.
- HB 2821 by Representative Fitzhugh clarifies the definition of "security interest" to distinguish between true leases and security interests under the revised UCC Article 9.
- HB 2912 by Representative Kent, as amended, allows tax return information to be disclosed in response to a duly authorized and properly served subpoena that complies with the Federal Rules of Criminal Procedure or the Tennessee Rules of Criminal Procedure.
- HB 2620 by Representative White, as amended, provides that notice of nonpayment of mechanics' and materialmen's liens may be served by registered or certified mail with return receipt requested, hand delivery with a properly notarized sworn statement, or any other commercial delivery service which can confirm delivery of notice.
- HB 2896 by Representative Westmoreland, as amended, specifies that persons employed by the Department of Correction as internal affairs investigators or as the director of internal affairs would be authorized to carry weapons. Such authorization would be subject to the written directive of the commissioner. Also, this authorization would be given for the purposes of performing assigned duties. This bill requires

internal affairs officers to participate in firearms training. Primarily, this bill has been introduced to rectify an oversight in the present law.

- HR 207 by Representative Buck approves the amendments and revisions to the Tennessee Rules of Evidence.
- HR 208 by Representative Buck approves the amendments and revisions to the Tennessee Rules of Criminal Procedure.
- HR 209 by Representative Buck approves the amendments and revisions to the Tennessee Rules of Civil Procedure.
- HR 212 by Representative Buck approves the amendments and revisions to the Tennessee Rules of Appellate Procedure.

HB 2538 by Representative Scroggs, as amended, was sent to **Finance, Ways, & Means**. HB 2538 adds a new section to the criminal code involving offenses against property. This bill creates felony offenses for tampering with public utilities. The intent of this bill is to address homeland security issues relating to public utilities.

State & Local Government

Lawrence Hall, Jr.

This week in **State and Local Government**, the full committee passed HB 2224, by Rep. Arriola, to Finance, Ways, and Means. This bill deletes the sunset provision that repeals the 1 percent hotel occupancy tax increase in Davidson County effective on June 30, 2002. The purpose for implementing the increase is to promote tourism in Davidson County.

HB 2226 and HB 2227, both by Rep. Overbey were passed to Calendar and Rules. These bills deal with the definition of disabled veteran and prisoner of war (POW) as it relates to qualifying for property tax relief. Currently the law requires that a veteran's total disability be combat related before property tax relief may be awarded. These bills remove that requirement and allow the disability to be service related. Further, the requirement that a veteran be confined as a prisoner of war for a minimum of five months in order to receive property tax relief, is changed in this bill to a minimum of 30 days.

The committee also passed HB 3193, by Rep. Hargrove, to Calendar and Rules. This bill makes it a Class E felony for any person who issues an unsolicited request for an

application for an absentee ballot. This bill also makes the qualifying deadline for mail in voter registration the 29th day before an election. Finally, this bill removes the requirement that information concerning the applicant's height, color of eyes and hair be provided on the application.

The **State Government Subcommittee** considered and passed HB 2403, by Rep. Pinion to full committee. This bill extends the select Oversight Committee on Corrections to the year 2005. HB 2077 by, Rep. Turner of Davidson County, makes it a requirement that eligible state employees be paid double time if the employee is required, in addition to working the normal work week, to work on a state holiday or on a Sunday.

Local Government Subcommittee passed HB 2387, by Rep. Bunch to full committee. This bill allows a local government to deny a business license application if the applicant has delinquent county or municipal taxes. This bill was amended to allow a license to remain active pending the outcome of an appeal if an appeal has been filed. HB 3131, by Rep. Ridgeway, makes property tax relief available to disabled veterans who are declared legally blind rather than totally blind by the U.S. veterans administration.

Elections Subcommittee did not meet this week.

Transportation

Greg E. Adkins

The full **Transportation committee** met on Wednesday, February 27, 2002 and considered ten bills. The following five highway sign bills passed to the FW&M committee:

1. **HB 2344** by Rep. McDonald--"Thomas Anthony Utley Memorial Bridge" sign in Sumner County.
2. **HB 2059** by Rep. Maddox--"Jimmy Breeden Memorial Bridge" sign in Carroll County.
3. **HB 2060** by Rep. Maddox--"Dennis Brooks, Jr. Memorial Bridge" sign in Carroll County
4. **HB 2377** by Rep. Winningham--"James U.L. Scott Memorial Bridge" sign in Jackson County; the amended bill includes local funding.
5. **HB 2257** by Rep. Bowers--"Isaac W. Northern, Jr. Bridge" sign in Shelby County.

HB 2122 by Rep. Johnson passed to FW&M as amended. The amended bill authorizes the issuance of the "Ruritan

National" specialty earmarked license plate. The proceeds raised from the plate will only be used in Tennessee. **HB 2632** by Rep. M. Turner passed to the C&R committee as amended. The bill shortened the time from 30 days to 10 days for a vehicle to be considered an abandoned vehicle, if it is left unattended. **HB 1985** by Rep. Bittle passed to FW&M committee. The amended bill authorizes the Department of Safety to transfer information contained on Tennessee driver license applications to the federal selective service system. The program would not be initiated until the department had the computer capability to administer the program. **HB 3009** by Rep. Ridgeway passed to the C&R committee. The bill would authorize a closed circuit video monitor to be used to assist a person when backing up in all automobiles. The current law only allows trucks and motor homes. **HB 2509** by Rep. Briley passed to C&R. It is a clean-up bill that puts a \$500 cap on speed limit fines while construction workers are present.

The **Public Transportation & Highways Subcommittee** met on Tuesday, February 26, 2002 and considered four bills. **HB 2335** and **HB 2336** by Rep. Garrett passed to the full committee as amended. HB2335 and HB 2336 authorize directional highway signs for "Talbot's Corner" in Davidson County. **HB 2484** by Rep. Bittle passed to full committee as amended; the bill created a memorial highway sign for trooper John Robert Davis who was killed in the line of duty.

The **Transportation and Safety Planning subcommittee** met on Wednesday, February 27, 2002 and considered six bills. **HB 2269** by Rep. Fitzhugh passed to the full committee as amended; the bill would authorize funeral processions to use strobe lights statewide. **HB 2956** by Rep. Rinks passed to full committee. The bill would allow the Commissioner of the Department of Safety to issue a certificate of self-insurance to recognized religious sects, if the members of that sect or division had twenty-five automobiles or more. Two bills were rolled 2 weeks: **HB 532** by Rep. Ridgeway and **HB 3041** by Rep. Beavers (repeals the mandatory motorcycle helmet). Two bills were rolled one week: **HB 2656** by Rep. Winningham and **HB 2693** by Rep. Head. Members of the committee listened to supporters of repealing the motorcycle helmet law. In two weeks the committee will listen to witnesses advocating the need to keep the mandatory helmet law.



Budget Hearings
House Finance, Ways & Means Committee

TennCare - February 20th
Homeland Security - February 21st
Constitutional Officers - February 26th

TennCare
Wednesday, February 20, 2002
Cathy Higgins

Deputy Commissioner John Tighe presented TennCare's budget overview. The total recommended budget is \$5.9 billion (\$1.9 billion state, \$3.8 billion federal, and \$189 million other dollars). FY 01-02's total budget is estimated at \$5.7 billion. The Bureau has not requested any new positions; authorized positions remain at 475. Representatives from the Departments of Mental Health and Developmental Disabilities, Finance and Administration's Division of Mental Retardation Services, Commerce and Insurance's TennCare Oversight, and the Commission on Aging also participated in the presentation of TennCare's Budget.

Improvements request totaled \$114.5 million in state dollars:

- \$98.8 million for Medical and Behavioral Services - \$88 million to fund 5.7% capitation rate increase for the MCOs/BHOs and \$10 million for one open enrollment period during FY 20-03.
- \$8.5 million for Mental Retardation Services - to expand the Mental Retardation Home and Community Based Services waiver, along with 300 slots for citizens in crisis. A five-percent inflation rate adjustment for private intermediate-care facilities at a cost of \$1.1 is also included.
- \$5.5 million for Elderly/Disabled Services - to fund the 65th percentile for Level I and Level II nursing home facilities. Also included are additional funds to assist in Medicare cost-sharing for elderly and disabled.
- \$1.6 million for TennCare children in state custody - to address the recommendations of the Child Welfare League and the Brian A. settlement agreement.

Discussion:

The recommended budget for FY 02-03 forecast a decrease in the average annual enrollment from 1,430,000 to 1,357,000. It was noted during discussions that over 637,000 people on the TennCare rolls are classified as uninsured/uninsurable and that 96% of that population are at- or below-200% of poverty.

The recommended budget funds eligible adults at 100% of poverty and children at 200% of poverty. It was stated that those that are above 100% of poverty maybe eligible to participate under federal Medicaid eligibility criteria. The TennCare program is required to enroll anyone that is Medicaid eligible. One open enrollment period is recommended in

the Governor's proposal for FY 02-03. The General Assembly, provided revenues are available, has flexibility under the proposed waiver to increase the poverty level up to 250%.

If the State made the decision to restructure to a managed care Medicaid program the cost savings would be short term and in the long run the cost would be substantial to the State. Departments such as Mental Retardation Services that receive flow through TennCare dollars to provide services would have to replace the lost federal dollars with state dollars. Another issue would be the court orders relative to TennCare participants and the potential impact of lost federal dollars. The number of citizens who may be eligible for Medicaid will be higher than the early 1990s due to the State's increasing percentage of population living at or close to the poverty level. Most states that do not have a Medicaid waiver have been experiencing growth in the double-digits while TennCare's growth has remained in the single digits. Tennessee's per-person cost for its TennCare program is the lowest in the nation.

Homeland Security

Thursday, February 21, 2002

Cathy Higgins

Commissioner Wendell Gilbert, Deputy to the Governor for Homeland Security, led the discussion regarding the State's Homeland Security.

The Homeland Security Council is comprised of Commissioners Gilbert; Larry Haynes, Agriculture; Denny King, Safety; Bruce Saltsman, Transportation; Dan Wheeler, Agriculture; General Jackie Wood, Military; John White, TEMA; Dr. Fredia Wadley, Health; and Larry Wallace, Director of TBI.

Commissioner Gilbert detailed the supplemental request needed to fund FY 01-02 initiatives already underway which totals \$3.5 million. The recommended budget for FY 02-03 is \$8.9 million.

The request for FY 01-02 includes additional funds for:

- The Office of Attorney General and Reporter for increased security.
- TEMA and the Military Departments to address equipment, emergency management coordinators and officers, and communication equipment.
- The Department of Safety for a trooper class of 50 recruits to handle security of state property, etc., for National Crime Information Center background checks for those applying for a commercial driver's license; and for equipment and communication upgrades.
- The Tennessee Bureau of Investigation for criminal intelligence agents and analysts, plus upgrading the statewide communications system.

In addition to the above request, funding for FY 02-03 include:

- Environment and Conservation environmental specialists for the purpose of testing, monitoring, and evaluating Tennessee's water supply.
- A Commerce and Insurance bomb and arson special agent plus related expenditures.
- The Department of Health creating a statewide communications network related to biological threats, outbreaks or epidemics.
- Facilities revolving fund (FRF) to provide additional security at state buildings managed by the FRF.

Discussions:

To provide continuity for Homeland Security initiatives, the General Assembly should consider adopting legislation.

The strength of the state's military is not up to 100%. The State has had to close some units due to lack of personnel. There is legislation pending that will provide educational incentives to help recruit personnel. However, fiscal limitations are an issue with the bill.

When the state's military is activated for state duty (i.e., security around capital buildings) that cost has to be absorbed by the State. Only when the units are activated federally, will the federal government absorb the cost.

Teamwork at the different levels of government is essential to coordinate security activities. All counties have established Homeland Security Councils that work with the State's Security Council.

Commissioner Wheeler, Agriculture, provided information on "agri-terrorism" which has to do with food supply and security. The department provides diagnostic support for Homeland Security as it relates to animal disease outbreaks, misuse of crop dusters and chemical agents. The Department has not requested an improvement for Homeland Security; however, the department has 16 vacant positions in their labs. Hiring and retaining lab personnel is hard due to the below-market salary structure.

The State's assets make it a potential target for terrorist activities. These include major electrical distribution systems, transportation system, airport-hubs, etc.

Tennessee's use of the State Guard was also discussed. The State Guard is comprised of volunteers. Commissioner Gilbert has met with the State Guard; however, they are waiting on federal direction on the use of volunteers.

Constitutional Officers

Tuesday, February 26, 2002

Denise Sims

The House Finance, Ways & Means Committee continued its Budget Hearings on Tuesday with an overview of the Constitutional Officers' 2002-03 budget requests.

Comptroller John Morgan presented a recommended budget of \$53,116,700 which represents a 1.2% increase over 2001-02. (See table below.)

Comptroller of the Treasury - '02-'03 Recommended Budget Summary

Expenditures- Operating Codes	'01-'02 Est.	'02-'03 Recom.	% >'01-'02
Funding Source:	\$\$	\$\$	
State Appropriation	33,897,700	34,508,100	1.8%
Current Services	2,987,100	2,987,100	0.0%
Inter-Departmental	5,521,500	5,521,500	0.0%
Surplus & Reserves	100,000	100,000	0.0%
Sub Total	42,506,300	43,116,700	1.4%
Expenditures-Tax Relief			
Funding Source:			
State Appropriation	10,000,000	10,000,000	0.0%
Sub Total	10,000,000	10,000,000	0.0%
Grand Total	52,506,300	53,116,700	1.2%

According to Comptroller Morgan, the 1.8% increase in state appropriation for operating expenditures is the result of improvements recommended by Finance and Administration. Those improvements include:

- 4 positions in Management Services at an appropriation of \$206,000.

These positions would be dedicated to the CAAS IV program (Computer Assisted Appraisal System IV), which is now becoming operational.

- 4 positions in County Audit at an appropriation of \$240,000.

These are additional staff positions responsible for Information System review and support. Comptroller Morgan says they are needed to keep up with the more sophisticated systems in counties.

- Additional funds for the State Bd of Equalization at a total of \$1,850,000.

\$60,000 would go toward making incentive pay supplements for county assessment offices recurring. He explained that the incentive pay supplement program was eliminated last year when it was moved from recurring to non-recurring. \$1,790,000 would go toward making grant payments to counties recurring. According to Comptroller Morgan, with more frequent reappraisals comes additional expense, and since they had agreed to offset one-half of that increased cost to the counties, they have been making grants to those counties. Like the incentive pay supplement program, the grant payment program had been a part of the recurring to non-recurring change last year. These improvements would re-establish both programs.

- 2 positions in Research & Education Accountability at \$114,400.

Mr. Morgan explained that the Education Improvement Act provides that the Office of Research and Education Accountability has a role in identifying non-performing schools. This statutory responsibility requires tremendous resources. According to the Comptroller, this recommendation was made in years past, but it was withdrawn. In light of schools being put on probation for poor performance, this year the request is needed.

Total improvements amount to \$2,410,400.

Question from the committee:

***"What if your department faced a 10% reduction? What would be affected?
How would it impact the citizens of Tennessee?"***

Comptroller Morgan said in order to achieve a 10% reduction, his office would have to:

- Abolish 73 positions. As of today, 45 of those are filled.
- Eliminate the Tax Relief Program. This amounts to \$10 million, and it would affect about 61,000 elderly people who represent an average payment of \$145 each.
- Implement a 20% reduction in staff in the Office of State Assessed Properties.

He said reductions would also affect the appraisals program by reducing training and oversight, and thereby lowering the quality and professionalism of the program across the state. He said it would also seriously impair the Division of County Audit under federal guidelines according to the Federal Single Audit Act. Municipal Audits would also be affected.

Mr. Morgan provided a handout detailing a number of responses to the question posed by the committee. That handout is available in the House Finance Committee office.

Treasury Department

Treasurer Steve Adams presented the Department's budget for FY 2001-02 and its budget requests for FY 2002-03. The schedule was as shown:

	'01-'02 Estimated	'02-'03 Requested	'02-'03 Recommended	'02-'03 Improvements
Treasury Dept	\$16,741,700	\$15,743,200	\$15,743,200	\$ 628,800
Cert. Pub. Admin.	60,200	405,000	60,200	-0-
Crim. Injuries Compensation	10,460,000	11,641,300	11,641,300	-0-
Risk Mgmt	1,233,000	1,603,200	1,603,200	382,500
Claims Award Fund	32,726,500	35,369,000	35,369,000	2,642,500
Unclaimed Prop	7,700,000	10,975,000	10,975,000	-0-
Misc. Approp.	7,127,500	8,127,500	8,127,500	-0-

The only significant difference in the department's request and that recommended by the Governor was in the Certified Public Administrators program. (Enacted in 1998, it provides a salary supplement for certain local government officials who complete job-related training courses offered by UT.) Treasurer Adams says it has been the department's practice to request funding sufficient to pay the full statutory salary supplement. The \$405,000 requested keeps the department consistent with that practice.

The budget contains the following improvements:

- **Treasury Dept.** - \$600,000 to provide funding for a Claims Integrity Service for disability retirement. This cost would be offset by future retirement benefits not paid to the member. Another improvement is \$28,000 for the replacement of the Oracle database server with a higher capacity hardware system. Adams says neither represents a direct impact on state appropriations.
- **Risk Management** - The department's funding request for the insurance premiums for risk management has increased by \$382,500 or 41% over FY 2001-02. Adams says it is possible that additional monies may be needed over and above that request in order to retain the current level of insurance coverage.
- **Claims Award Fund** - Adams says losses increased by 9.8% over those for the prior fiscal year, due in part to an estimated increase in both workers' compensation losses and automobile liability losses. In all, the budget request for the claims Award Fund has increased by 8.1% or \$2,642,500.

Total requested improvements amount to \$3,653,800.

Question from the committee:

***"What if your department faced a 10% reduction? What would be affected?
How would it impact the citizens of Tennessee?"***

Treasurer Adams replied with a number of scenarios in the event of non-adequate funding. Among those that he mentioned were:

- 28 positions - of which ten are now filled - would be eliminated. Mr. Adams says this would have the impact of 12 or 14 positions.
- There would be a 7% cut in "other" or "below the line" expenditures, representing about \$325,000.
- The office would not be able to advertise unclaimed property in counties or jurisdictions. This costs about \$300,000, but it brings in about a million dollars a year.
- There would be a slower process on claims.
- The reduction in funds would affect the toll free number for retirement information.
- The office would have to consider the computer replacement cycle - from three to four years, perhaps.
- A 10% reduction would mean 1.2 million dollars in cuts.

Secretary of State - Next Page

Secretary of State

Secretary of State Riley Darnell presented an overview of his department's budget.

Dept of State Budget Summary (Showing State, Federal, Other)

	'01-'02 Estimated	'02-'03 Requested	'02-'03 Recommended
Sec of State	7,698,900 ST 0 FD <u>4,578,500 O</u> 12,277,400 192 positions	7,698,900 ST 0 FD <u>4,578,500 O</u> 12,277,400 192 positions	7,698,900 ST 0 FD <u>4,578,500 O</u> 12,277,400 192 positions
St Election Commission	1,818,300 ST 0 FD <u>0 O</u> 1,818,300 5 positions	500,000 ST 0 FD <u>0 O</u> 1,818,300 0 positions (Voting Machine Replacement Fund)	2,318,300 ST 0 FD <u>0 O</u> 1,818,300 0 positions
Public Documents	392,300 ST 0 FD <u>120,000 O</u> 512,300 0 positions	500,000 ST 0 FD <u>0 O</u> 500,000 0 positions (TN Blue Books)	892,300 ST 0 FD <u>120,000 O</u> 1,012,300 0 positions
Library & Archives (reflects non-recurring grants and settlement adjustment)	6,118,200 ST 1,987,700 FD <u>573,900 O</u> 8,679,800 106 positions	1,000,000 ST 0 FD <u>0 O</u> 1,000,000 0 positions (TN Electronic Library)	6,453,200 ST 1,987,700 FD <u>303,900 O</u> 8,744,800 106 positions
Regional Libraries (reflects non-recurring grants)	6,588,500 ST 559,000 FD <u>140,000 O</u> 7,287,500 93 positions	1,532,000 ST 0 FD <u>0 O</u> 1,532,000 0 positions (grants)	6,753,500 ST 559,000 FD <u>140,000 O</u> 7,452,500 93 positions
Library Construction	0 ST 400,000 FD <u>0 O</u> 400,000 0 positions	0 ST 400,000 FD <u>0 O</u> 400,000 0 positions	0 ST 400,000 FD <u>0 O</u> 400,000 0 positions
Registry of Election Finance	317,100 ST 0 FD <u>24,000 O</u> 341,100 5 positions	317,100 ST 0 FD <u>24,000 O</u> 341,100 5 positions	317,100 ST 0 FD <u>24,000 O</u> 341,100 5 positions
Women's Economic Council (reflects non-recurring settlement funds and improvement adjustments)	92,300 ST 0 FD <u>134,000 O</u> 226,300 3 positions	76,800 ST 0 FD <u>0 O</u> 76,800 0 positions	92,300 ST 0 FD <u>68,000 O</u> 160,300 3 positions
Total (reflects non-recurring funds & improvement adjustments)	23,025,600 ST 2,946,700 FD <u>5,570,400 O</u> 31,542,700 404 positions	3,608,800 ST 0 FD <u>0 O</u> 3,608,800 0 positions	24,525,600 ST 2,946,700 FD <u>5,234,400 O</u> 32,706,700 404 positions

The budget asks for these improvements:

- \$500,000 for the Voting Machine Loan Fund. The department requests this amount to establish a loan fund from which counties can borrow to purchase modern voting machines. Repayment of the loans would replenish the fund.
- \$500,000 for publishing the next Tennessee Blue Book.
- \$1 million for the Tennessee Electronic Library.
This includes \$300,000 formerly budgeted for TEL, and an increase in funding by an additional \$700,000.
- \$1,532,000 to restore recurring state grants for library materials and services in the four metro libraries and in local archives. These funds became non-recurring in the last fiscal year, and therefore they will not be available in 2002-03. The improvement request restores the grants.
- \$76,800 for the Economic Council on Women.
This would permit all three existing positions to be filled, and would provide funding for operation. The \$76,800 was not recommended by the administration. (The '02-'03 budget for the Council will reflect a reduction of \$66,000 in "other" funds due to non-recurring Nine West settlement money.) Secretary Darnell says this would give the Council over \$169,000 in total state appropriations.

Question from the committee:

***"What if your department faced a 10% reduction? What would be affected?
How would it impact the citizens of Tennessee?"***

Secretary Darnell said his department would lose 100 positions, 25% of the 400 in place now. He said such a reduction would mean \$2.5 million in cuts. "We can't take two and a half million in cuts and do the job," according to the Secretary.

For Additional Information,
Contact The House Research Division
At 741-3025.